GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1564
ANSWERED ON:09.12.2004
PRIVATE PLAYERS TO LAY GAS PIPELINE FOR CONSUMERS
Oram Shri Jual;Rao Shri Kavuru Samba Siva

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government propose to allow private players to lay gas pipeline for consumers;

(b) if so, the State-wise details thereof with their locations;

(c) whether GAIL has opposed the move;

(d) if so, the reasons therefor;

(e) the reaction of the Government thereto; and

(f) the impact on the GAIL as a result of entry of private players?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): Yes, Sir. So far only M/s Gas Transportation and Infrastructure Company Limited (GTICL), a company promoted by Ms Reliance Industries Limited (RIL), has been given permission for laying natural gas pipelines along Kakinada-Hyderabad-Uran-Ahmedabad-Goa and Jamanagar-Bhopal-Cuttak.

(c) to (f): GAIL has expressed reservations regarding the entry of private sector in gas transmission business, as it would hamper smooth operation of pipelines and growth opportunities for GAIL in the sector. GAIL has therefore, submitted for granting monopoly for laying all the natural gas interstate transmission pipelines in the country.

Based on the feedback received from various stake holders, including the major domestic and international oil and gas companies, different Chambers of Commerce and Industries, State Governments etc. and after inter-ministerial consultations, it is envisaged to invite the participation of both public sector and private sector in the development of pipeline infrastructure in the country. This will encourage competition and larger investment in this sector which will ultimately benefit the consumer.